

Appendix 4 – Risk Considerations

PROGRAM RISK CONSIDERATIONS

1. OVERARCHING/PERFORMANCE

- a. Are the programs under Recovery Act for my organization following the existing procedures or new procedures?
- b. Are specific Recovery Act fund objectives and requirements incorporated into agency policies?
- c. Does my organization have staff adequately trained to effectively implement Recovery Act requirements?
- d. Has my organization provided new requirements, conditions, and guidance to the recipients regarding Recovery Act?
- e. Does my organization have reporting mechanisms in place to collect the required data from recipients to meet Recovery Act transparency requirements?
- f. Is there an agency-wide methodology for measuring performance? What are the key performance metrics?
- g. Are there any process metrics, or are the metrics primarily outcome-oriented?
- h. Does my organization have a corrective action plan process in place to promptly resolve the audit findings identified that may impact the ability to successfully implement Recovery Act?
- i. Has my organization established a governance body to oversee / manage the overall implementation of Recovery Act?

2. REPORTING

- a. Is the necessary reporting under Recovery Act in place?
- b. Has your organization implemented communication vehicles to ensure Recovery Act data is promptly reported on the agency's website?
- c. Are reports published under Recovery Act reviewed and approved?
- d. Are reports issued accurate and have the data fields required under Recovery Act?
- e. Do reports tell agency management what is happening on a timely basis?
- f. Are issues identified through established reports addressed on a timely basis?
- g. Are reports issued on the effectiveness of risk management strategies and tactics timely?
- h. Are risk management strategies and tactics properly monitored?

3. HUMAN CAPITAL

- a. Has my organization identified qualified personnel to oversee the Recovery Act funds?
- b. Does my organization have sufficient level of personnel to manage the Recovery Act programs (for instance, Grant, Contracting, Financial Management, or IT personnel, etc.)?
- c. Are they empowered to make decisions and administer the Recovery Act programs?

Source: Office of Management and Budget April 3, 2009 85
Guidance for the American Recovery and Reinvestment
Act of 2009

- d. Are program officials trained in the performance management requirements?
- e. Has my organization considered using alternative hiring methods allowed under the Recovery Act?

4. ACQUISITION

- a. Do new Requests for Proposals issued under Recovery Act initiatives contain the necessary language to satisfy the requirements of the Recovery Act?
- b. Are Contracts awarded in a prompt, fair, and reasonable manner?
- c. Do new contracts awarded using Recovery Act funds have the specific terms and clauses required?
- d. Are contracts awarded using Recovery Act funds transparent to the public? Are the public benefits of the funds used under these contracts reported clearly, accurately and in a timely manner?
- e. Are funds used for authorized purposes and the potential for fraud, waste, error, and abuse minimized and/or mitigated?
- f. Do projects funded under Recovery Act avoid unnecessary delays and cost overruns?
- g. Are there any performance issues identified with regards to (potential) contractor?
Are there follow up actions to address the performance issues?

5. FINANCIAL

- a. Has my organization established separate Treasury Account Fund Symbols to ensure Recovery Act funds are clearly distinguishable?
- b. Are there controls in place to ensure that Recovery Act funds are not commingled with other agency funds?
- c. Are existing internal controls sufficient to mitigate the risks of fraud, waste, and abuse?

6. SYSTEM

- a. Are financial and operational systems configured to manage and control recovery funds?
- b. Can financial and operational systems support the increase in volume of contracts, grants and loans etc.?
- c. Are the appropriate data elements identified that must be captured, classified and aggregated for analysis and reporting to meet Recovery Act requirements?